

White Paper



Taking the stress out of Payroll by controlling complexity



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Foreword from CIPP

However you choose to look at Payroll, it is anything but simple! Those that do not know the industry have the misconception that you merely 'push a button' once a month. Those that understand Payroll know that with over 265 pieces of legislation impacting on the profession in the UK this year alone, it's no easy task. Throw in the additional complexities required for overseas payroll and you'll soon realise, Payroll is not an easy task.

Not only is Payroll complex, but there are significant risks associated with non-compliance. For example, in addition to fines the government now names and shames those who do not comply with the National Minimum Wage regulations, making them less attractive to prospective employees, potentially affecting talent acquisition.

So how do you 'make payroll simpler'?

1. Technology
2. Lifelong learning

Technology is evolving at an extremely rapid rate, as Payroll professionals you should be embracing those changes. Look to simplify and automate the processes which take time, for you and your employees, such as booking annual leave.

Automation and artificial intelligence are hot topics, talk to your provider and find out how you could use this new technology to enable efficiencies. Make sure they understand your business and your Payroll, each organisation will have different issues and complexities that are important to them and it's vital to select a supplier that understands these and your industry.

Lifelong learning is essential to Payroll professionals. Legislation is continually changing, recently we have seen GDPR, gender pay gap reporting, the apprenticeship levy and automatic enrolment to name a few.

We have also seen the introduction of the Scottish rate of income tax, and the Welsh rate of income tax will come into effect from April 2019, PAYE modernisation in Ireland, and increased devolution amongst the UK nations.

It's also crucial that Payroll professionals are skilled and knowledgeable to do their job, after all Payroll is the largest expense in most organisations. It is also essential that on-going learning is available to ensure they can remain up to date and compliant.

Knowing where to go for support and advice on Payroll is critical - talk to your supplier regarding how they can support you, technology can also help. In addition, talk to your professional body, the Chartered Institute of Payroll Professionals, for support and learning which can help you keep up to date.

So, whilst Payroll will never be simple, you can take steps to make some of the processes simple for you.

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Introduction

NGA Human Resources is a leader in helping organisations transform their business-critical Payroll and HR operations to deliver more effective and efficient people-critical services. Our teams are experienced in understanding the individual challenges that organisations face and work in partnership to solve them through a combination of deep experience and advanced technology. Our ResourceLink solution is a powerful and integrated Payroll and HR software platform that helps users deal with the rapidly changing workplace that we live in today. Our software serves 4.9 million employees in the UK and Ireland.

This paper outlines some of the key areas where simplicity in process or system will benefit the Payroll and HR teams. It also looks at where new technology can be adopted to improve Payroll performance for employers and employees.

The cost of complexity

The role of Payroll systems and the departments that use them is fast evolving. It's no longer just about the gross-to-net calculations and delivering payments on time. Today's systems must manage a broad range of administrative duties on top of traditional responsibilities. Submitting and receiving Real Time Information (RTI), managing auto-enrolment duties, apprenticeship levy, salary sacrifice arrangements and Optional Remuneration Arrangement (OpRA) are just some of the latest deliverables to be added to the ever-growing to-do list for Payroll and HR managers.

Inevitably, complex Payroll systems lead to an increase in errors. The impact of these errors can be wide ranging and felt right across an organisation. Rectifying mistakes can of course be time consuming and costly with the prospect of HMRC fines, however the impact on staff morale as well as the image of an organisation should not be overlooked. It has therefore never been more important to focus on keeping payroll as simple as possible.

Next generation service managers

The role of managers and the systems that they use continues to expand in all areas of business. As a result, the profile of Payroll and HR managers in the UK has evolved. Today's professionals are tech-savvy with a broad set of skills. They are increasingly required to use analytics to inform business decisions. For example, using data and analytics to monitor performance and to identify areas for improvement. This data and insight enables businesses to implement new processes that match the strategy and objectives of the organisation.

Educating employees

For many employees, the world of tax codes and pension policies has always been shrouded in mystery. Faced with uncertainty, many will turn to Google for help. The results, as you'd expect, are mixed with conflicting results. Alternatively, employees will contact their Payroll or HR department for support. Both approaches can result in time-consuming distractions for Payroll and HR managers alike.

Tracking legislation and compliance

As seasoned Payroll professionals will testify, legislation and compliance can never be treated as 'done'. Legislation isn't always black and white; the challenge lies not only in keeping up with new legislation but also in interpreting and aligning individual company policies. Whether its GDPR, the apprenticeship levy or changes to pensions, there will always be new legislation to learn about and implement.

Focussing on simplicity

Know your users

Whether it's your Payroll and HR managers or your employees, it is crucial to understand your users and their requirements. Once you have identified this, you can then assess the tools that they use. From here you can begin to make Payroll and HR simpler for everyone.

For employees, be mindful of the confusion that things like tax codes can cause. Consider creating online resources to help them access the right information, a simple tool such as a link to the correct HMRC webpage can save a trip to the Payroll or HR department.

For the tech-savvy users, remember that they have high expectations when it comes to user experiences and personalisation. The Payroll and HR systems that they use should be intuitive and follow familiar principles to applications and websites that they use away from work. Help your users to get the most from their system and remember the increasing importance of analytical tools.

Making life easier

Simplification can also be described as 'making life easier'. A system that makes familiar tasks such as the tracking and authorisation of expenses simpler can be beneficial for many reasons. In addition to helping Payroll and HR departments to be more efficient, it also provides a single point of truth that can be accessed by multiple team members across the business. The same is also true for digital payslips. Not only can they be accessed at any time, but they also provide an archive of information which is easily accessible. By embracing these features, you can quickly begin to make life easier for your users.

Opportunities in Artificial Intelligence

Like many industries, Artificial Intelligence (AI) provides an opportunity to manage reoccurring requests with technologies such as chatbots. Payroll and HR departments could use these to answer frequent, straightforward questions, for example. And should the topic be considered too complex, the caller could be routed to an appropriate Payroll or HR representative. One of the great things about AI is that, over time, it will increase its 'knowledge' to manage more and more queries and therefore further reduce the number of human interactions required.

Automation

AI could also be used to automate repetitive processes such as onboarding new employees. With the right data in place, the burden of chasing missing information could be passed onto the hiring manager rather than a member of the Payroll or HR team. For organisations with a high employee turnover, an initial investment in setting up this type of process could deliver long-term time savings.

Consider the supplier as well as the technology

While selecting the right platform for your needs is a crucial decision, it's also vital that you consider the supplier of the platform. Only by continuously tracking legislation can a supplier provide you with support when you need it most, to do this they need to have their finger on the pulse along with the ability to adapt and innovate.

It's important to have a close working relationship with your supplier. Only by fully understanding your business objectives can they implement a new system that helps your team to achieve them. It's equally important to maintain this relationship. By working together, you can ensure that you continue to get the most from the system and benefit from new features and functionality as they're added.

Remember that software systems and platforms should be built to grow as your organisational requirements evolve. Your supplier must listen and react to these changes to ensure that your system is able to provide the features, functionality and user experiences that Payroll professionals, HR managers and employees alike have come to expect.

Conclusion

It may never be possible to completely remove the complexity involved in payroll but there are plenty of opportunities to improve the quality of your service by focussing on simplicity in some key areas.

Embrace new skill sets and technologies that can make processes simpler.

Understand your users, their needs and expectations. What does simplicity look like to them?

Always stay aware and compliant to legislation.

Choose a Payroll delivery partner that understands your business and can adapt to the future, making your life simpler.

About NGA Human Resources

We are a leader in the UK and Ireland in helping organisations to align their people strategy to their business strategy. We are the most knowledgeable partner to help identify the HR and Payroll solutions to take your organisation exactly where it wants to go.

About ResourceLink

ResourceLink is the HR and Payroll platform of choice for hundreds of organisations, of all sizes and from all sectors. It's designed to help you take control and realise important benefits such as increasing efficiencies, saving time and eliminating duplication.

www.ngahr.co.uk

